

# **FY 2006 CONSOLIDATED PLAN**



**State of New Jersey  
Jon Corzine, *Governor***

**Department of Community Affairs  
Susan Bass Levin, *Commissioner***

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## **EXECUTIVE SUMMARY**

The Consolidated Plan outlines Governor Jon Corzine's major initiatives and resources to address the housing, community and economic development needs of the State. Over the next year, the Corzine Administration will allocate State and federal funds as well as private resources to address the goals identified in the State's 2005-2009 Consolidated Plan. During Federal Fiscal Year 2006, priority will be given to projects that carry out neighborhood revitalization, create new affordable housing units, provide rental assistance and expand services for the homeless and other special needs groups.

The New Jersey Department of Community Affairs (DCA) is responsible for developing the Consolidated Plan and submitting it to the US Department of Housing and Urban Development. The Consolidated Plan identifies the housing and community development needs of the State and identifies the strategies that New Jersey will pursue over a five-year period to address these needs. The Plan also serves as the application for the Community Development Block Grant Program (CDBG), Emergency Shelter Grant Program (ESG), HOME Investment Partnership Program (HOME) and the Housing Opportunities for People with AIDS (HOPWA) Program.

During FY 2006, the State will address the following housing and community development goals

1. Increase the number of affordable housing units built for our most vulnerable populations.
2. Continue to provide housing opportunities for low and moderate-income households and housing assistance to very- low and low-income households.
3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.
4. Support local jurisdictions' planning processes to reduce and end homelessness.
5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.
6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.
7. Promote lead-based paint education and abatement efforts.
8. Support sustainable development and the revitalization of neighborhoods

through Smart Growth planning initiatives.

9. Improve and preserve the existing affordable housing stock.
10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.
11. Reduce regulatory barriers to developing affordable housing.
12. Promote fair housing practices and educate the public about the benefits of and the need for affordable housing.
13. Establish a homeless prevention program for Division of Youth and Family Services families.

### ***Consolidated Plan Funding***

The following table represents the Federal FY 2006 (State FY 2007) formula allocation for the American Dream Downpayment Initiative, Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS Programs. It should be noted these amounts reflect a reduction of funding to the Community Development Block Grant Program (\$593,946) and the HOME Investment Partnership Program (\$910,330) totaling \$1.5 million. These reductions will reduce the Department of Community Affairs' ability to develop affordable housing, provide tenant-based rental assistance to low-income households and support housing rehabilitation and public facility projects.

| <b>PROGRAM NAME</b>                        | <b>FEDERAL<br/>FY 2006 ALLOCATION</b> |
|--|---------------------------------------|
| American Dream Downpayment Initiative      | \$176,705                             |
| Community Development Block Grant          | \$8,359,963                           |
| Emergency Shelter Grant                    | \$1,565,928                           |
| HOME Investment Partnership                | \$7,173,337                           |
| Housing Opportunities for People With AIDS | \$1,064,000                           |
| <b>TOTAL ALLOCATION</b>                    | <b>\$18,339,933</b>                   |

## Objectives and Outcomes

| Objective #1: Suitable Living Environment  |   |  |
|--|---|--|
| Outcome 1: Enhance suitable living environment through improved/new Accessibility  | Outcome 2: Enhance suitable living environment through improved/new affordability   | Outcome 3: Enhance suitable living environment through improved/new sustainability   |
| Number of units that have been modified to improve accessibility for special needs populations for the purpose of creating a suitable living environment | Number of units made more energy efficient through LIHEAP and Weatherization funds for the purpose of creating a suitable living environment                              | Number of homeless individuals and families provided needed support services to become self-sufficient for the purpose of creating a suitable living environment |
| Number of units that have been rehabilitated to provide access to DYFS and adopted children for the purpose of creating a suitable living environment    |   | Number of households that have access to public sewer and potable water for the purpose of creating a suitable living environment                                |
| Number of homeless persons who have access to a shelter for the purpose of creating a suitable living environment  |   | Number of units where lead-based paint hazards have been mitigated for the purpose of creating a suitable living environment                                     |
| Objective #2: Decent Affordable Housing  |   |  |
| Outcome 1: Create decent housing with improved/new availability  | Outcome 2: Create decent housing with improved/new affordability  | Outcome 3: Create decent housing with improved/new sustainability  |
| Number of new affordable housing units built for low-income households for the purpose of creating affordable housing                                    | Number of households provided with on-going rental assistance for the purpose of creating affordable housing  | Number of "Green" sustainable/energy-efficient units built for the purpose of creating affordable housing  |
| Number of new rental units built for moderate-income for the purpose of creating affordable housing  | Number of persons living with HIV/AIDS that were assisted with on-going housing subsidies for the purpose of creating affordable housing                                  | Number of existing housing units rehabilitated for the purpose of creating affordable housing  |
| Number of new shelter beds created for homeless individuals and families for the purpose of creating affordable housing                                  | Number of households that received down payment assistance and below-market rate mortgages to become first-time homebuyers for the purpose of creating affordable housing | Number of existing housing units preserved for the purpose of creating affordable housing  |
| Objective #3: Creating Economic Opportunities  |   |  |
| Outcome 1: Provide economic opportunity through improved/new accessibility   | Outcome 2: Provide economic opportunity through improved/new affordability  | Outcome 3: Provide economic opportunity through improved/new sustainability  |
| Number of jobs created for low- and moderate-income households for the purpose of creating economic opportunity  | Number of towns provided with Special Improvement District Grants and Loans for the purpose of creating economic opportunity  | Number of local jurisdictions that implement Smart Growth planning initiatives for the purpose of creating economic opportunity.                                 |
|  |   | Number of Main Streets provided with technical assistance for the purpose of creating economic opportunity   |
|  |   | Number of building facades, streetscapes rehabilitated for the purpose of creating economic opportunity  |

## ***Evaluation of Past Performance***

This section of the plan summarizes the State's performance during State Fiscal Year 2005.

1. The State through the following programs produced over 8,300 affordable units for low and moderate income households:
  - *HOME Program*: DCA dispersed \$435,000 to create 15 affordable units.
  - *Neighborhood Preservation Balanced Housing Program*: \$13.5 million produced 551 affordable housing units for low and moderate-income households in 9 municipalities and 7 counties.
  - *Multi-Family Rental Housing Program*: 14 loans were closed totaling \$12.8 million to provide construction, rehabilitation and/or permanent financing for 1,789 units. Another \$105 million was committed to fund 2,670 rental units in 29 housing developments.
  - *Federal Low Income Housing Tax Credit Program*: HMFA allocated \$32.5 million in competitive and non-competitive tax credits to support the production of 3,289 housing units. These credits will generate over \$278 million in private equity.
2. The State through the following programs provided housing opportunities to over 1,600 low and moderate-income households:
  - *Home Buyer Program*: \$106 million provided 697 families with home mortgages.
  - *Smart Start Program*: 440 families purchasing in Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan received close to \$2.1 million in down payment and closing cost assistance.
  - *Police and Fireman's Retirement System Mortgage Program*: \$117 million funded 482 loans for members of the Police and Fireman's Retirement System to be used to purchase a new home or refinance an existing home.
  - *At Home – Downtown Loan Program*: Eight loans totaling \$2.3 million funded the purchase or rehabilitation of one-to-four unit family residential structures that include a storefront commercial component.

In addition, the State through the following programs provided housing

assistance to over 18,000 households:

- Supportive Housing Program: HMFA provided approximately \$3 million to fund 35 supportive housing units.
  - Section 8 Housing Choice Voucher Program spent over \$146 million of federal funds to provide rental assistance to 17,380 households.
  - Section 8 Moderate Rehabilitation Program provided rental assistance to 1,353 households.
3. The DCA through the following programs has directly assisted 1,630 homeless individuals and families and indirectly through the Community Services Block Grant Program provided support services to 419,010 households:
- *Community Services Block Grant Program* provided \$15.7 million to 27 Community Action Agencies and other eligible community-based organizations. These agencies provided services including, emergency assistance for food, clothing and shelter, alcoholism counseling and treatment, transportation, job training, child care, educational products and housing initiatives to 263,091 individuals and 155,919 families.
  - *Emergency Shelter Grant Program*: DCA awarded \$1.57 million to eliminate health and safety violations in existing emergency shelters and to rehabilitate properties to create new emergency shelters and transitional housing facilities. These funds helped assist 174 residents.
  - *Housing Opportunities for People with AIDS*: The State utilized \$3.52 million of State and local HOPWA grants to provide housing assistance and supportive services to over 508 low-income persons with HIV/AIDS.
  - *Shelter Plus Care Program* provided rental assistance and supportive services to 90 homeless individuals and families.
4. The DCA worked with the local Continuum of Care to develop strategies to reduce homelessness. During FY 2005, the Department of Community Affairs served as the “project sponsor” for 16 Shelter Plus Care grants and 2 transitional housing grants. These grants provided rental assistance and supportive services to 102 homeless households.
5. The State continued to encourage the development of supportive housing, housing choice voucher and the provision of support services for special

needs populations.

6. The Office of Housing Advocacy provided technical assistance to nonprofit organizations and other community-based groups interested in developing or preserving affordable housing.
7. The Lead-Based Paint unit continued its lead poisoning prevention efforts through a major media campaign. The State launched the Lead safe NJ statewide education/outreach campaign in September 2005.
8. The State, through its housing and community development programs, assisted municipalities implement the policy goals cited in the State Redevelopment and Development Plan.
  - The Office of Smart Growth promoted well-planned, well-managed growth that added new homes and created new jobs, while preserving open space, farmland and environmental resources.
  - *Neighborhood Preservation Program* promoted the restoration of 32 threatened but viable neighborhoods. Activities included the rehabilitation of owner-occupied homes, commercial facades and various types of infrastructure improvements, community education and resident organization development.
9. The State through the following programs improved and preserved existing affordable housing stock.
  - *Housing Preservation Program* preserved affordable housing units in HMFA financed projects. Other priorities included preserving other affordable units, which would be lost to the market, and preserving units in need of substantial repair.
  - *Low Income Housing Energy Assistance/Weatherization Programs*: The DCA utilized \$8.8 million to weatherize 2,757 units. These services went to assist the elderly, handicapped and low-income persons in weatherizing their homes, improving heating system efficiency and conserving energy.
10. The DCA through the following programs supported community and economic development programs:
  - *Special (Business) Improvement Districts (SIDs)* provided information and referral to more than 50 municipalities and consultants regarding technical assistance issues and grants available to municipalities to establish SIDs.



- *Downtown Business Improvement Zone* leveraged over \$11 million in other public/private funds for capital improvements in downtown business improvement zones.
  - *Main Street* provided intensive technical assistance to 26 active designated communities in the areas of downtown management, economic development strategies, promotion and marketing and enhancing the physical appearance of their historic downtowns. These efforts have to date resulted in the creation of 865 new jobs, 97,730 volunteer hours, 198 new businesses and have brought over \$61.7 million in private reinvestment into these central business districts.
  - *Small Cities Community Development Block Grant Program* awarded 18 public facilities grants, 12 housing rehabilitation grants, 1 grant for employment development and 2 grants for innovative development.
11. The State continued to pursue initiatives to reduce regulatory barriers to affordable housing.
12. The State through all of its production and technical assistance programs continued its education efforts about the need to provide decent, safe and affordable housing.
13. The State established several programs to prevent DYFS families from becoming homeless. These programs include:
- *Deep DYFS Subsidy Program for Permanent Rental Housing* provides funds to create permanent rental housing for low-income DYFS families and families who have children with special needs.
  - *Emergency Housing Providers Development Program* provides subsidy funds to nonprofit developers to lower the construction costs of housing developed for DYFS clients.
  - *HMFA/DYFS Home Opportunities Program* provides low interest financing to nonprofit organizations, for-profit developers and public entities for the acquisition of land and buildings, including rehabilitation of existing buildings.
  - *Homeownership for Permanency Program* provides loans to families that are newly adopting children or becoming legal guardians through DYFS.
  - *Shelter Housing Exit Program* provides short- and long-term assistance to victims of domestic violence and their children who are receiving shelter or transitional housing services from domestic violence programs.

- *Resource Family Home Rehabilitation Program* provides rehabilitation loans to resource families to enable them to meet housing standards required by DYFS.

## ***Geographic Distribution of Funds***

New Jersey is committed to addressing housing, economic and community development needs statewide, and will continue to allocate resources to the most economically distressed areas of the state. The State will utilize the New Jersey State Development and Redevelopment Plan to identify specific areas of the state for revitalization. The purpose of the Plan is to coordinate planning activities and establish statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination (N.J.S.A. 52:18A-200(f)).

The major goals of the State Development and Redevelopment Plan are:

- To revitalize the state's cities and towns by protecting, preserving and developing the valuable human and economic assets in cities, towns and other urban areas.
- To conserve the state's natural resources and systems by promoting ecologically sound development and redevelopment.
- To promote beneficial economic growth, development and renewal for all residents of New Jersey, particularly the poor and minority communities through partnerships and collaborative planning with the private sector.
- To protect the environment, prevent and clean up pollution by developing standards of performance and creating incentives to prevent and reduce pollution and toxic missions at the source.
- To provide adequate public facilities and services at a reasonable cost.
- To provide adequate housing at a reasonable cost through public/private partnerships that create and maintain a broad choice of attractive, affordable, ecologically designed housing, particularly for those most in need.
- To preserve and enhance areas with historic, cultural, scenic, open space and recreational value.
- To ensure sound and integrated planning and implementation statewide.

The available census data provides the rationale for the State's general allocation of resources statewide, with an emphasis on heavily populated areas. The census data indicates that urban municipalities predominately comprise the areas having the highest poverty rates and minority concentrations. The remainder of the State and federal funds will be allocated to eligible municipalities, developers and households by either a competitive or open process. In the open process, feasible projects submitted that are ready to proceed will receive priority.

## ***Federal and State Resources***

The following is a summary of the State of New Jersey's objectives and the resources that will be used during federal FY 2006:

### **1. Increase the number of affordable housing units built for our most vulnerable populations (0-30% of area median income)**

**COAH Targeting** – Under the third round rules, municipalities are given an incentive in the form of two units of credit for every rental or for sale unit provided that it is affordable to households earning less than 30 percent of the area median income. In addition, municipalities that collect development fees are required to allocate one third of the affordability assistance requirement for very low-income households. Such assistance could include buying down the cost of a deed restricted low-income unit to make it affordable for a very low-income household. For the first time, COAH is providing a combination of incentives and requirements to help produce affordable housing for this target population.

**Deep Subsidy Program** provides subsidy financing for eligible projects having a total of ten or more affordable units of which at least one unit is affordable to a very low-income household.

**Special Needs Housing Trust Fund** "Trust Fund", pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c. 163, provides capital financing to create permanent supportive housing and community residences for individuals with special needs, with priority given to individuals with mental illness. The purpose of this special non-lapsing, revolving fund, which is being administered by the HMFA, is to develop special needs housing and residential opportunities as alternatives to institutionalization or homelessness for those who would benefit from these programs and to ensure the long-term viability of such housing. The Trust Fund provides capital financing in the form of loans, grants, and other financial vehicles and investments to eligible not-for-profit and for-profit developers as well as government entities at the state, county, and municipal levels, for special needs housing projects costs, including the acquisition of land,

building(s), rehabilitation, new construction, or conversion of building(s) as permanent or trans-permanent rental apartments/units and community residences for people with special needs. Funding for rent and operating subsidies and supportive services is not available through the Trust Fund.

**Special Needs Revolving Loan Program** provides low-interest loans to for-profit and nonprofit organizations developing housing for individuals and families with special needs. The program is designed to provide financing for projects intended to serve populations eligible for established HMFA special needs programs as well as newly emerging special needs populations identified by State agencies.

## **2. Continue to provide housing opportunities for low and moderate-income households and housing assistance to very- low and low-income households.**

### **Housing Opportunities**

**American Dream Downpayment Initiative** provides down payment and closing costs to low and moderate-income households. The program offers a second mortgage for down payment and/or closing costs up to lesser of \$10,000 or 6% of the purchase price, but in no case less than \$1,000. Eligible costs include down payment and closing costs.

**100% Mortgage Program** provides 100% mortgage loans to first-time homebuyers and urban target area buyers purchasing homes located in pre-approved new construction or rehabilitated single-family housing developments. No down payment or mortgage insurance is required.

**Choices in Home Ownership Incentives Created for Everyone (CHOICE)** provides a menu of home ownership production options that can be mixed and matched to meet local conditions and goals, allowing for a mix of income opportunities within a neighborhood or municipality. The program provides construction financing jointly with a private lender (50% HMFA and 50% private lender). Subsidies are provided for the affordable housing units and emerging market units. The purchasers of the homes may be eligible for homebuyer below market interest-rate loans and closing cost/down payment assistance.

**Developmental Disabilities Home Ownership Program** assists individuals with disabilities to purchase a home and modify a residence to make it accessible for the prospective homeowner. The program is available to prospective borrowers who have a developmental disability and persons who are at least 18 years of age referred by Division of Developmental Disabilities (DDD).

**Home Express** offers financing subsidies to developers of affordable rental

housing under a streamlined application process. Funded with Balanced Housing monies supplied by the New Jersey Department of Community Affairs, the program allows developers to apply for Balanced Housing Subsidies at the same time they apply for both HMFA mortgage financing and federal Low Income Housing Tax Credits.

**Homeownership for Permanency Program for Adopting Parents** provides homeownership mortgage loans to families that are newly adopting children through the Department of Human Services Division of Youth and Family Services or a State-licensed adoption agency, and parents becoming legal guardians. The program provides low-interest rehabilitation loans to families who adopt children and wish to make improvements to their home to accommodate a larger family. The program is designed to support family stability and access to safe, permanent housing.

**HOME - CHDO Production Program** provides non-interest bearing, interest bearing and deferred loans, and grants to certified State Community Housing Development Organizations for the purpose of creating affordable housing for low and moderate-income households throughout the state.

**HOME – Housing Production Investment Fund** provides non-interest bearing, interest bearing and deferred loans, and grants to for-profit and nonprofit developers for the purpose of creating affordable housing for low and moderate-income households throughout the state

**Low-Income Housing Tax Credit Allocation Program** was created by Section 42 of the Internal Revenue Code of 1986, which may be applied against the federal income tax of persons, or associations who have invested in certain buildings providing housing for low-income families.

The tax credit, rather than a direct federal subsidy, provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income. Tax credit interest may be syndicated or sold to generate equity for the developments, thus reducing the necessary mortgage financing and providing more affordable terms.

**Multi-Family Rental Housing Program** provides low-interest financing for construction, rehabilitation and/or permanent financing loans for the creation and/or preservation of multi-unit rental housing for low- and moderate-income families and individuals. The funding is through the sale of taxable and tax-exempt housing revenue bonds.

**Municipal Acquisition and Construction (MAC) Program** will provide funds to eligible municipalities for acquisition of land and/or property for the construction of affordable housing. Affordable housing may be developed and/or owned by the municipality or by an agent of the municipality or the municipality may select

a developer to build the affordable housing.

**Neighborhood Preservation Balanced Housing** furthers the Mount Laurel Doctrine by creating housing opportunities in viable neighborhoods for households of low- and moderate-income. Assistance is provided to municipalities that fall into one of the following categories: 1) The municipality has received Substantive Certification from the Council on Affordable Housing (COAH); 2) The municipality has entered into a judicially approved compliance agreement to settle its fair share housing obligation; 3) The municipality is subject to a court-ordered builder's remedy 4) The municipality has been designated as a receiving municipality under a regional contribution agreement and the project plan has been approved by COAH; 5) The municipality has, at any time since FY '88, been eligible to receive state aid pursuant to Public Law 1978, c. 14 [N.J.S.A. 52:27D-178 et seq.]; and 6) The municipality has petitioned COAH for substantive certification.

**Resource Family Home Rehabilitation Program** provides rehabilitation loans to low and moderate-income resource families to enable them to meet housing standards required by DYFS.

**Small Rental Project Loan Program (5-25)** provides funding for small (5-25 unit) rental projects, which includes secondary financing of up to \$35,000 per unit. Projects may include income-restricted units that will allow for subsidies of up to \$35,000 per unit or rent restricted units that allow for subsidies of up to \$25,000 per unit or a combination of both.

**Smart Start Program** offers families purchasing homes in HMFA designated Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan a second mortgage for down payment and/or closing costs. Low and moderate-income borrowers earning less than 80% of HMFA's Home Buyer county income limits are eligible to receive 4% of the first mortgage amount. It is available only in conjunction with HMFA's Home Buyer Program mortgage loans.

### **Housing Assistance**

**State Rental Assistance Program** provides temporary rental assistance, up to five years, to low-income individuals and households. The program is available to state residents who are not currently holders of the federal Section 8 vouchers.

**The Housing Choice Voucher Program** assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing. Rental units must meet minimum housing quality standards. A housing subsidy is paid to the landlord directly on behalf of the participating family. The family pays the difference between the actual rent charged by the landlord and the amount

subsidized by the program. The DCA program is operational in each of New Jersey's 21 counties, and is administered locally in 18 county offices.

**3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.**

**Emergency Shelter Grant**, which is under the umbrella of the Shelter Support Program, provides funds to nonprofits and local governments to renovate and construct homeless shelters and transitional housing facilities.

**Family Self-Sufficiency (FSS) Program** assists families that are receiving housing assistance under the Housing Choice Voucher Program in becoming self-sufficient and self-reliant through the implementation of a jointly developed action plan between the participant and the housing agency. Families participate in a series of job training, career counseling, and education and social service programs.

**HOME-Tenant-Based Rental Assistance** helps reduce the housing costs of very low-income households by providing direct rent subsidy payments to their landlords. Assistance is provided to participants for a period of up to 24 months.

**Housing Opportunities for Persons with AIDS (HOPWA)** provides tenant-based rental assistance to persons with HIV/AIDS and their families.

**Shelter Housing Exit Program** provides security deposits and rental assistance to victims of domestic violence and their children who are currently living in shelters or in transitional housing facilities. The program will assist 300 victims of domestic violence annually.

**Shelter Plus Care Program** provides rental assistance to homeless persons with disabilities, in collaboration with local nonprofit agencies under their jurisdictional "Continuum of Care"—the vehicle for homeless planning activities. Funds for this program have been granted in Atlantic, Burlington, Cape May, Essex, Gloucester, Hudson Middlesex, Monmouth, Morris, Passaic and Warren Counties.

**Shelter Support**, the umbrella program for the Emergency Shelter Grant program, provides funds to construct new and renovate existing homeless shelters and transitional housing. Assistance is provided to local governmental units and nonprofit organizations.

**4. Support local jurisdictions' planning processes to reduce and end homelessness.**

**Homeless Management Information Systems (HMIS)** The State is coordinating the HMIS Collaborative, which provides a single software solution to homeless prevention agencies to track and manage their client cases. The HMIS Collaborative was created in response to the federal Department of Housing and Urban Development's mandate that all local agencies develop and implement sophisticated tracking systems for reporting purposes. HMIS staff work with over 100 local agencies around the state to install the software, train staff, and assist in applying for funding.

The State will also continue to work with the local Continuum of Cares to reduce homelessness.

**5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.**

**Ex-Offenders Re-entry Housing Program** provides low-interest loans to for-profit and nonprofit organizations developing transitional, trans-permanent, and permanent support rental housing, including independent and shared housing opportunities with access to supportive services, for adult ex-offenders and juvenile offenders.

**Homeless Individuals and Families Supported Housing Demonstration Program** provides low-interest match and gap financing to applicants applying to the federal Department of Housing and Urban Development (HUD) to develop permanent supportive housing for homeless individuals and families. Eligible HUD programs include the Interagency Council Collaborative Initiative to Help End Chronic Homelessness and the annual HUD SuperNOFA Continuum of Care Homeless Assistance Programs for Permanent Housing. The program is designed to support permanent housing solutions to reduce homelessness in New Jersey.

**Housing Opportunities for Persons with AIDS – Post Incarcerated Program** provides housing assistance to individuals recently released from prison who have HIV/AIDS.

**New Jersey Community Housing Demonstration Programs** include an array of programs established in partnership with the Department of Human Services (DHS) Divisions of Developmental Disabilities (DDD), Mental Health Services (DMHS), Youth and Family Services (DYFS) and the Commission for the Blind and Visually Impaired (CBVI). These programs assist project sponsors by providing low-interest financing to develop innovative and flexible housing opportunities with support services for individuals and families.



**Transitional and Permanent Housing Loan Program for Aging Out Youth** provides low-interest financing to organizations and public entities developing service enriched transitional and permanent housing opportunities for youth aging out of foster care, homeless youth and youth leaving the Juvenile Justice System.

**6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.**

**OHA Special Needs Initiative** provides capacity grants and technical assistance to nonprofit organizations that develop permanent affordable housing for populations with special needs (HIV, developmentally disabled, mental health consumers, youth aging out of foster care, homeless, victims of domestic violence). Grantees are eligible to receive an annual grant of \$60,000 to support a staff person that will lead the organization's housing development efforts. Grantees are also eligible to receive additional bonuses of up to \$80,000 based on production.

**Performance Grants to Nonprofits** provides operating support for nonprofit organizations actively involved with the development of affordable housing. Continuation grants are based on grantee agencies' performance. Assistance is provided to nonprofit organizations.

**7. Promote lead-based paint education and abatement efforts.**

**The Emergency Relocation Assistance Fund** relocates lead poisoned children and their families to lead-safe housing units.

**The Lead Hazard Control Assistance Fund** provides loans and grants to eligible property owners to evaluate lead-based paint and its hazards and mitigate or control those hazards.

**8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.**

**Green Homes Office** provides advocacy, education, technical assistance, grants and subsidies to accelerate the use of innovative green design and building technologies, raise building standards and create a consumer demand for efficient, healthy and environmentally responsible, high performance homes.

**Neighborhood Preservation** provides for direct financial and technical assistance to municipalities to conduct activities associated with the preservation of designated neighborhoods based on strategic revitalization plans within those municipalities.

**Neighborhood Revitalization Tax Credit Program** offers businesses a fifty percent tax credit against various New Jersey State taxes for investing in the revitalization of low- and moderate-income neighborhoods in eligible cities. Funds support the implementation of revitalization plans and projects developed and executed by approved nonprofit organizations.

## **9. Improve and preserve the existing affordable housing stock.**

**COAH Credit** – In its third round rules, COAH offers municipalities an additional credit for extending affordability controls that expire during the 1999 to 2014 round. Affordability can be extended for an additional 30-year period for new construction and an additional 10-year period for rehabilitation units. In order to receive COAH credit, the unit must be up to code standard, ensuring the ongoing repair and maintenance of these units. This option creates an incentive through the COAH process for municipalities to extend affordability controls while ensuring the proper ongoing maintenance of these properties.

**Housing Preservation Program** preserves affordable housing units in HMFA-financed projects. Other priorities include preserving other affordable units, which would be lost to the market, and preserving units in need of substantial repair. The Program is funded through the sale of taxable and tax-exempt housing revenue bonds

**Section 8 Single Room Occupancy – Moderate Rehabilitation** assists in rehabilitating privately owned, substandard single-room occupancy rental units to provide housing for homeless and very low-income individuals who are eligible for Section 8 rental assistance.

**Weatherization Assistance & Low-Income Home Energy Assistance** assists elderly, handicapped and low-income persons in weatherizing their homes, improving heating system efficiency, conserving energy and emergency heating assistance. Assistance is provided to low-income occupants and community agencies assisting units occupied by low-income individuals.

## **10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.**

**At-Home Downtown Program** provides below-market rate mortgage funds to acquire and rehabilitate or refinance and rehabilitate residential structures with a storefront commercial component. Projects are limited to 1-3 apartments plus the commercial unit for a total of four units. The program is available to individuals and investors. The program's objective is to revive the housing potential of the

state's downtown areas. No income limits apply.

**Brownfields Program** supports and facilitates cleanup and redevelopment of properties.

**Community Economic Development Initiative** is a capacity building program for nonprofit organizations seeking to develop, market, and or manage commercial, retail, or industrial space.

**Main Street New Jersey** is a nationally recognized professional downtown revitalization program providing business communities with the skills and knowledge to manage their own center business districts, improving the economy, appearance and image of their traditional downtown, through the organization of business persons, local citizens and resources. Technical assistance and education is provided to downtown business organizations.

**Small Cities Community Development Block Grant** funds economic development, housing rehabilitation, community revitalization and public facility projects designed to principally benefit people of low- and moderate-income, to prevent or eliminate slums and blight or to address local needs of recent origin for which no other source of funding is available. Assistance is provided to non-entitlement municipalities and counties (list available on request).

**Special (Business) Improvement Districts (SIDs)** provides technical assistance to New Jersey's downtown and business centers to support economic and community development. Assistance is provided to municipalities, nonprofit organizations and business associations.

**Special (Business) Improvement District Loans** provides loans to make capital improvements within designated downtown business improvement zones. Assistance is provided to municipalities and SID management organizations.

**Special (Business) Improvement District Challenge Grants** provides dollar-for-dollar matching grants up to \$10,000 to support the technical and professional services needed to establish a SID. Assistance is provided to municipalities.

## **11. Reduce regulatory barriers to developing affordable housing**

New Jersey has a number of policies, programs and proposals to address regulatory barriers to affordable housing.

*Rehabilitation Subcode:* The State, in January of 1998, adopted the Rehabilitation Subcode, which is the first construction code in the nation written specifically for the rehabilitation of existing buildings. The Rehabilitation

Subcode is a set of standards that provides for the health and safety of building occupants, while recognizing what is possible and practical in the setting of an existing building.

*Site Improvement Standards:* In 1997, New Jersey adopted statewide site improvement standards for residential subdivisions. The purpose of these standards is to bring consistency and predictability to the requirements for site improvements and to eliminate standards that contribute to higher housing costs without any greater health or safety benefits. The standards cover street, water supply, sewer and storm water management for residential developments.

*Land Use Reform:* New Jersey courts have taken an active role in redressing regulatory barriers to affordable housing. In the Mount Laurel decisions, the New Jersey State Supreme Court ruled that municipalities have a constitutional obligation to provide a realistic opportunity through zoning for the creation of their fair share of regional low- and moderate-income housing needs. In response, the State Legislature passed the Fair Housing Act in 1985, which created the Council on Affordable Housing (COAH). COAH determines present and future housing needs and helps municipalities meet their constitutional obligation to provide opportunities for affordable housing. The Agency reviews local housing plans and zoning ordinances and certifies those that adequately respond to regional affordable housing needs. This process is voluntary, but municipalities have several incentives to participate. COAH assists municipalities in meeting their fair housing needs by offering options such as accessory apartments, buy-down programs, residential conversions of schools and Regional Contribution Agreements (RCAs). Through the courts and the COAH process, New Jersey communities have modified their zoning laws to provide more opportunity for affordable housing. Over the next 5 years, the State will continue to identify and address local and State policies that effect the provision of affordable housing.

*Innovative Housing Subsidy Programs:* The State, through the Department of Community Affairs, Housing and Mortgage Finance Agency and the New Jersey Redevelopment Authority, continues to create affordable housing opportunities for New Jersey's residents.

## **12. Promote fair housing practices and educate the public about the benefits of and the need for affordable housing.**

The State will continue to promote fair housing practices by educating the public about the State and federal Fair Housing laws. In addition, the State will develop materials to educate the public about the benefits and the need for affordable housing.

## **13. Establish a homeless prevention program for DYFS families.**

The State will continue to utilize the new programs identified on page 13 to assist DYFS families.

### **Match Requirements**

To satisfy the match requirements of the HOME, Emergency Shelter Grant, and Community Development Block Grant Programs, New Jersey will use State funds from the Neighborhood Preservation Balanced Housing Program and the Neighborhood Preservation Program.

### ***Managing the Process***

The New Jersey Department of Community Affairs is the lead agency responsible for administering the HOME, Emergency Shelter Grant and Community Development Block Grant Programs. The New Jersey Department of Health and Senior Services is responsible for administering the Housing Opportunities for Persons with AIDS Program.

While DCA was designated the lead agency in developing the Consolidated Plan, it worked in extensive consultation with other State agencies including the NJ Housing and Mortgage Finance Agency, NJ Department of Health and Senior Services and the NJ Department of Human Services.

The State of New Jersey recognizes that the expeditious delivery of housing services relies on improving and expanding intergovernmental and institutional cooperation on the State, county and local levels to coordinate effectively the delivery of public and private resources. The State, through DCA, HMFA and COAH, has made significant strides in coordinating the policies and programs of government agencies that are direct providers of housing. Improved coordination among agencies is essential since many initiatives require some participation from each of the State agencies.

The Department of Community Affairs will continue to improve the coordination between housing providers and health and service agencies by doing the following:

- Maintaining an excellent working relationship with various State departments, including the Department of Health and Senior Services and the Department of Human Services, in order to implement a statewide homelessness strategy, which includes assisting DYFS families.
- Continuing to build on-going relationships with housing providers who manage, rehabilitate and construct affordable housing and homeless facilities.

- Expanding and improving existing housing programs.
- Coordinating the services of the HMFA's first-time homebuyer programs with DCA's Section 8 Homeownership Program.

### ***Citizen Participation Process***

In accordance with the federal regulations, New Jersey used the following citizen participation process to ensure adequate public participation with the FY 2006 Consolidated Plan.

- Two weeks prior to the Draft Plan being released to the public, DCA sent a copy of the draft to advocates representing the following constituents for comment: homeless, special needs and low- and moderate-income households.
- DCA posted the final draft plan on the Division of Housing's website for public review and comment on April 3, 2006.
- DCA held two public hearings, one on April 10, 2006 in conference room 129 from 10:00 AM to 12:00 PM and the other on April 25, 2006 from 1:00 PM to 3:00 PM .
- Additionally, a legal notice describing the availability of the Consolidated Plan Draft, its contents, and information about the public hearings was advertised in the following four regional newspapers: The Bergen Record, The Star Ledger and The Atlantic City Press twice.

Each notice clearly stated the length of the public comment period, where the draft plan was available for review, and the addresses to which comments should be mailed, e-mailed or faxed. This notice was also published on DCA's Division of Housing's website: <http://www.nj.gov/dca/dh>. The Plan was available in draft form for a public comment period beginning on April 3, 2006 and closing on May 8, 2006. It should be noted that DCA accepted all comments received through May 15, 2006.

- In addition, an e-mail was sent to the Mayors of all the eligible Small Cities municipalities and counties announcing the availability of the Consolidated Plan and information about the comment period.

DCA received comments from 6 people. The majority of the comments received addressed barriers to affordable housing, special needs and homelessness, removing programs from certain priority goals, policy issues and procedural/regulatory issues. All of the comments received were carefully reviewed and the majority of them were incorporated into Plan. Comments that addressed specific policy issues such as the following were submitted to the Administration for consideration.

1. Adopt a statewide housing policy
2. Initiate a carrot/stick program to towns who build/don't build affordable housing
3. Change program regulations to require an affordable housing component to all projects that receive DCA funding
4. Pursue a redevelopment program in areas without redevelopment programs.
5. Mandate that the Office of Smart Growth require all development projects to have an affordable housing component.
6. Require that developers use Section 8 Rental Assistance in nicer areas in an effort to desegregate poverty. NJ is one of the top 5 states with segregated schools.
7. Discontinue the RCA because nice areas are getting out of building affordable housing.
8. The voluntary nature of COAH should be barrier to affordable housing.
9. Expand the Homelessness Prevention Program.

### ***Institutional Structure***

The State will pursue the following actions next year to develop institutional structure and enhance coordination between public and private housing and social services.

- *Coordination of housing development with economic opportunities and community development:* This comprehensive approach, which ties job opportunities and social services to housing revitalization, will help stabilize depressed areas as well as promote self-sufficiency of the area's residents.
- *Provision of planning and technical assistance for non-urban counties/municipalities:* Non-urban communities often do not make affordable housing a financial or political priority. This creates a severe problem in rural counties where hundreds of subsidized units are lost through prepayment of HUD and FHA mortgages. Remedial actions to be undertaken by DCA will include outreach, education and technical assistance to these rural areas.

The State recognizes that the expeditious delivery of housing services relies on improving and expanding intergovernmental and institutional cooperation on the State, county and local levels to coordinate effectively the delivery of public and private resources. The State, through DCA, HMFA and COAH, has made significant strides in coordinating the policies and programs of government agencies that are direct providers of housing. Improved coordination among agencies is essential since many initiatives require some participation from each of the State agencies.

The Department of Community Affairs will continue to improve the coordination between housing providers and health and service agencies by doing the following:

- Maintaining an excellent working relationship with various State departments, including the Department of Health and Senior Services and the Department of Human Services, in order to implement a statewide homelessness strategy, which includes assisting DYFS families.
- Continuing to build on-going relationships with housing providers who manage, rehabilitate and construct affordable housing and homeless facilities.
- Expanding and improving existing housing programs.
- Continuing to coordinate the services of the HMFA's first-time homebuyer programs with DCA's Section 8 Homeownership Program.
- Providing professional development training to the state's public housing authority managers. DCA sponsors a comprehensive training program for executive directors and commissioners of the state's 90 local housing authorities. The program, developed in cooperation with two statewide housing associations, provides courses in areas such as ethics and resident initiatives. The resident initiative course encourages housing authority managers to allow public housing residents to become more involved in management and participate in homeownership.
- Coordinating the services of the Council on Affordable Housing with municipalities to support the production of affordable housing. COAH advises and assists local governments to develop strategies to meet local needs for affordable housing, including the review of regional contribution agreements which support the rehabilitation and construction of affordable housing in communities of greatest need.

## ***Monitoring***

Each grantee and sub-recipient receiving federal funds from DCA will be



monitored in the following manner:

- Receive an explanation of grant requirements and deadlines.
- Receive at least two field visits during the duration of the contract. During the field visits, Departmental staff will review the grantees' files to ensure that statutory and regulatory requirements are being adhered to. Any deficiencies identified will be addressed and corrected immediately. Additional monitoring visits will be scheduled, if needed.
- Periodic telephone calls to check on the status of the grant and resolve any problems.

In addition to monitoring the progress of grantees, DCA's Division of Housing and Division of Community Resources have devised internal controls that ensure adherence to the goals, objectives, and regulations applicable for each program. These controls include monthly reporting that is directly linked to the goals and objectives of the program, development and tracking of work plans that provide timelines for completion of program activities, and consistent re-evaluation of the grant processes to ensure effectiveness and efficiency.

DCA will also monitor how each of the HUD programs are progressing. Monthly IDIS reports will be created to determine the number and type of activities set-up, amount of funds committed and dispersed. These reports will help determine whether funds for the program activities are being distributed according to the goals and objectives identified in the Consolidated Plan and whether they are sufficient. Any impediments identified will be addressed.

### ***Lead-based Paint***

Actions to evaluate and reduce lead-based paint hazards

Funds made available through the Lead Interventions for Children-at-Risk (LICAR) Program have been sub-granted to ten municipalities and four regional lead coalitions to increase blood lead screening rates throughout the state. LICAR is an umbrella or grouping of initiatives designed to assist in meeting DCA's goal of eliminating childhood lead poisoning in New Jersey by 2010. The LICAR Program strategy, through partnerships with municipalities, local boards of health and community based organizations, focuses resources from multiple sources. These financial resources are utilized to fund efforts which can be divided into two basic strategies or approaches: primary prevention efforts which include any effort to prevent lead-based paint poisoning; and responsive efforts to abate lead hazards in residences where children have been lead poisoned.

The State launched the Lead safe NJ statewide education/outreach campaign in September 2005. The campaign is an ongoing and continuous effort to raise

awareness of the dangers of lead-based paint and the need for blood screening. In addition, the IEHU website at LeadsafeNJ.org includes materials and referral information for residents to support DHSS and DHS efforts to increase blood lead screening.

## **MAJOR INITIATIVES**

During Federal FY2006, the State will pursue the following:

### **Develop, preserve and finance 100,000 affordable housing units in 10 years in order to address the long-term affordable housing needs.**

- Expand the supply of housing, including affordable housing for very low-, low- and moderate-income households.
- Provide affordable homeownership opportunities for low- and moderate-income households.
- Provide technical assistance to community-based nonprofit and for-profit housing developers.
- Foster public-private partnerships.
- Encourage the use of innovative green design and building technologies.
- Abate lead-based paint hazards.
- Preserve affordable housing units at threat of loss due to expiring deed restrictions.
- Assist low- and moderate-income homeowners abate code violations.
- Strengthen existing affordability controls and control mechanisms

### **Expand housing options to assist special needs populations and reduce homelessness**

- Coordinate operating and service funding commitments from DHS with the Special Needs Housing Trust Fund managed by HMFA.
- Move chronically homeless households into permanent supportive housing.
- Continue to support emergency shelters and transitional housing for homeless households by increasing funding for the Shelter Support Program.

- Continue to work with the statewide collaborative to meet HUD's HMIS system requirements and State homeless planning information objectives and needs.

### **Community development**

- Assist municipalities with planning and technical assistance.
- Assist communities with public facilities and infrastructure improvement.
- Promote business development.
- Clean up brownfields.
- Promote development near jobs.
- Promote mixed-income development.
- Concentrate inter-departmental investments in target locations.
- Encourage use of community revitalization plans.

### **Support Smart Growth planning initiatives**

- Curb sprawl by encouraging redevelopment and growth in cities, and older suburbs, and in existing towns and villages in rural areas.
- Re-use existing buildings, sites and infrastructure.
- Direct growth into Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan.
- Develop regulations that encourage and support Smart Growth principles.
- Develop mixed-use communities with an emphasis on pedestrian access.
- Encourage green building.
- Promote high efficiency

## Efficiency in Government

- Promote inter-departmental coordination
- Streamline funding and service provision
- Assist municipalities to identify and develop housing opportunities
- Use data collection and analysis to make strategic and informed decisions
- Inform the public about available programs, services and resources.

## FIVE YEAR GOALS

| OBJECTIVE  | Five-Year Goals | 2005 Estimates * | Estimated Activity Level 2006 |
|--|-----------------|------------------|-------------------------------|
| 1. Increase the number of affordable housing units built for our most vulnerable populations   | 1,255           | 251              | 272                           |
| 2a. Continue to provide housing opportunities for low and moderate-income households   | 28,605          | 5,721            | 6,441                         |
| 2b. Continue to housing assistance to very low and low-income households   | 105,000         | 21,000           | 21,162                        |
| 3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.                                    | 6,500           | 1,300            | 1,421                         |
| 4. Support local jurisdictions' planning process to reduce and end homelessness.   | N/A             | N/A              | N/A                           |
| 5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.                  | 500             | 100              | 96                            |
| 6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.                                     | 275             | 55               | 54                            |
| 7. Promote lead-based paint education and abatement efforts.   | 3,375           | 675              | 675                           |
| 8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.  | 120             | 24               | 23                            |
| 9. Improve and preserve the existing affordable housing stock.   | 560,000         | 112,000          | 140,970                       |
| 10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households. | 580             | 116              | 119                           |

\*Final Figures will not be available until the end of July 2006

## PRIORITIES & SPECIFIC OBJECTIVES

| Annual Objectives and FFY 2006 Funding Levels if Appropriate                                 |  |  |                         |  |
|--|--|--|-------------------------|--|
| OBJECTIVE  | RATIONALE  | PROGRAM  | ESTIMATED FUNDING LEVEL | ESTIMATED ACTIVITY LEVEL                                 |
| 1. Increase the number of affordable housing units built for our most vulnerable populations | The need for affordable housing for very low-income is vast. During FY 2006, the State will use some of its scarce subsidy resources and regulatory authority to produce housing for very low-income.  | Deep Subsidy   | \$2,000,000             | 20 units   |
|  |  | Special Needs Housing Trust Fund   | \$16,000,000            | 200 units  |
|  |  | Special Needs Revolving Loan   | \$900,000               | 15 units   |
|  |  | Balanced Housing   | \$1,500,000             | 37 units   |
|  |  | COAH Targeting (2 units of credit for every unit affordable to households earning 30% of AML)  | NA                      | TBD  |
|  |  | Uniform Housing Affordability Controls (10 percent of rental units in a development must be affordable to households earning 35% or less of AML) | NA                      | TBD  |
|  |  | Total  |                         | \$20,400,000   |
| 2a. Continue to provide housing opportunities for low and moderate-income households         | With the cost of housing in NJ at an all time high, there is a substantial need to provide affordable housing for low and moderate-income households. To meet this large need with limited resources, the State has targeted these programs to low and moderate-income households. | American Dream Down Payment Initiative   | \$176,705               | 18 units   |
|  |  | 100% Mortgage Program  | \$9,000,000             | 65 units   |
|  |  | Balanced Housing   | \$13,500,000            | 337 units  |
|  |  | Choices in Homeownership Incentives Created for Everyone   | \$42,000,000            | 500 units  |
|  |  | Developmental Disabilities Homeownership   | \$675,000               | 5 units  |
|  |  | Homebuyer Program  | \$217,000,000           | 1550 units   |
|  |  | HOME Express   | \$60,000,000            | included in multi-family rental & special needs programs |
|  |  | Home Ownership for Permanency Project  | \$2,000,000             |  |
|  |  | HOME-CHDO Production   | \$1,076,001             | 18 units   |
|  |  | HOME-Production Investment   | \$1,721,601             | 28 units   |
|  |  | Low-Income Housing Tax Credits   | \$19,000,000            | included in multi-family rental program                  |
|  |  | Multi-family Rental Housing Program  | \$250,000,000           |  |
|  |  | Predevelopment Loan and Acquisition for Nonprofits   | \$1,000,000             | 60 units   |
|  |  | Resource Family Home Rehabilitation Program  | \$1,000,000             | 100 units  |
|  |  | Smart Rental Project Loan Program (5-25)   | \$7,500,000             | 100 units  |
|  |  | Smart Start Program  | \$3,000,000             | 650 units  |
|  |  | Sub-Total  |                         | \$628,649,307  |
| 2b. Continue to provide housing assistance to very low and low-income households             | The State is experiencing a shortage of available housing at every rental level. Many at-risk households turn to rental assistance programs to maintain and secure housing. But the demand continues to outpace the supply.  | Housing Choice Voucher Program   | \$168,457,665           | 17,062 households  |
|  |  | State Rental Assistance Program  | \$40,000,000            | 4,100 households   |
| Sub-Total  |  |  | \$208,457,665           | 21,162   |

| OBJECTIVE  | RATIONALE  | PROGRAM   | FUNDING LEVEL       | ACTIVITY LEVEL       |
|--|--|---|---------------------|----------------------|
| <b>3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.</b>                   | As reported in the May 2005 Point in Time Homeless survey, there were 10,713 homeless persons unsheltered and in shelters in NJ.                           | Emergency Shelter Grant   | \$1,495,461         | 95 beds              |
|  |  | Family Self-Sufficiency   | \$600,000           | 264 households       |
|  |  | HOME Tenant-Based Rental Assistance                               | \$3,658,402         | 381 households       |
|  |  | Housing Opportunities for Persons with AIDS                       | \$989,520           | 103 households       |
|  |  | Shelter Exit Program  | \$1,900,000         | 200 households       |
|  |  | Shelter Plus Care   | \$1,800,000         | 183 households       |
|  |  | Shelter Support   | \$2,300,000         | 195 beds             |
| <b>Total</b>   |  |   | <b>\$12,743,383</b> | <b>1,421</b>         |
| <b>4. Support local jurisdictions' planing process to reduce and end homelessness.</b>   | As reported in the May 2005 Point in Time Homeless survey, there were 10,713 homeless persons unsheltered and in shelters in NJ.                           | Coordination of HMIS  | \$40,000            | NA                   |
|  |  |   |                     |                      |
| <b>Total</b>   |  |   | <b>\$40,000</b>     | <b>NA</b>            |
| <b>5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.</b> | The Special Needs population is often identified as "hard to house" and therefore would benefit from long-term housing assistance and supportive services. | Emergency Housing Providers Development Program                   | TBD                 | TBD                  |
|  |  | Ex-Offenders Re-Entry Housing Program                             | \$700,000           | 12 units             |
|  |  | Homeless Individuals & Families Supported Housing Demonstration   | \$700,000           | 15 units             |
|  |  | HOPWA-Post Incarcerated   | \$300,000           | 39 units             |
|  |  | NJ Community Housing Demonstration                                | \$1,000,000         | 20 units             |
|  |  | Transitional & Permanent Housing Loan Program for Aging Out Youth | \$1,000,000         | 10 units             |
|  |  |   | <b>\$3,700,000</b>  | <b>96</b>            |
| <b>6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.</b>                    | The State needs the assistance of nonprofit developers to meet the affordable housing need.  | Performance Grants to Nonprofits                                  | \$4,106,500         | 54 nonprofits        |
|  |  | Training and Technical Assistance                                 | \$212,000           | Technical Assistance |
|  |  |   | <b>\$4,318,500</b>  | <b>54</b>            |
| <b>7. Promote lead-based paint education and abatement efforts.</b>  | Lead poisoning is the number 1 environmental health issue affecting children under age 6.  | Emergency Relocation Assistance                                   | \$3,000,000         | 355 households       |
|  |  | Lead Hazard Control Assistance                                    | \$8,029,000         | 320 loans            |
|  |  |   | <b>\$11,029,000</b> | <b>675</b>           |
| <b>8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.</b>                           | The State needs to prevent sprawl and preserve open space by focusing development in areas that have the infrastructure and capacity to accept growth.     | Green Homes   | \$0                 | Technical Assistance |
|  |  | Neighborhood Preservation   | \$2,750,000         | 20 towns             |
|  |  | Neighborhood Revitalization Tax Credit                            | \$10,000,000        | 3 projects           |
|  |  |   | <b>\$12,750,000</b> | <b>23</b>            |

| OBJECTIVE   | RATIONALE   | PROGRAM  | FUNDING LEVEL        | ACTIVITY LEVEL             |
|---|---|--|----------------------|----------------------------|
| <b>9. Improve and preserve the existing affordable housing stock.</b>   | The State has a need to improve and preserve affordable housing to ensure the long-term availability of affordable housing.   | Housing Preservation Program                   | \$85,000,000         | 450 units                  |
|   |   | Low-Income Home Energy Assistance              | \$3,607,000          | 137,000 households         |
|   |   | Section 8 Single Room Occupancy                | \$8,000,000          | 20 projects                |
|   |   | Weatherization                                 | \$5,266,959          | 3,500 households           |
|   |   | <b>Total</b>                                   | <b>\$101,873,959</b> | <b>140,970</b>             |
| <b>10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.</b> | There is a significant need in the State to create jobs for low and moderate-income households. In addition, there is also a need to revitalize our downtowns and Main Streets. | At-Home Downtown Program                       | \$1,800,000          | 10 units                   |
|   |   | Community Economic Development Initiative      | \$430,000            | 6 nonprofits               |
|   |   | Main Street New Jersey                         | \$400,000            | 26 towns                   |
|   |   | Small Cities Community Development Block Grant | \$1,000,000          | 3 projects                 |
|   |   | Special Improvement Districts                  | \$0                  | 70 SIDS - ad hoc technical |
|   |   | Special Improvement Districts Challenge Grants | \$70,000             | 3 grants                   |
|   |   | Downtown Business Improvement Loans            | \$600,000            | 1 loan                     |
|   |   | <b>Total</b>                                   | <b>\$4,300,000</b>   | <b>119</b>                 |

## AFFORDABLE HOUSING

| ONE YEAR HOUSING GOALS   | AMOUNT OF FUNDS | NUMBER            |
|--|-----------------|-------------------|
| Increase the number of affordable housing units built for our most vulnerable populations                                  | \$20,400,000    | 272 units         |
| Continue to provide housing opportunities for moderate income households   | \$628,649,307   | 6,441 units       |
| Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient. | \$221,201,048   | 22,583 households |
| Abate lead-based paint in housing units  | \$8,029,000     | 320 households    |
| Improve and preserve the existing affordable housing stock.  | \$101,873,959   | 140,970 units     |

## **PUBLIC HOUSING**

The Department of Community Affairs, as the State Public Housing Agency (PHA), administers over 17,000 housing vouchers. DCA is currently administering the following two programs that assist the voucher holders become self-sufficient.

1. The Family Self-Sufficiency Program (FSS) assists low-income tenants build assets and increase their earnings so that they can better meet their families' needs and become independent of welfare assistance. As part of the program, DCA establishes an interest-bearing FSS escrow account for each participating family. An escrow credit, based on increases in earned income of the family, is credited to this account during the five-year term of the FSS contract. To date, DCA has 274 active clients.
2. The Section 8 Homeownership Program allows families who are receiving Section 8 rental assistance to use that assistance to help pay the mortgage on a home they buy. In order to qualify, the family must be a first-time homebuyer, be employed full time for at least one year with a minimum annual income of \$10,300 (Except for elderly and disabled), have decent credit and successfully complete housing counseling sessions. To date, DCA's program has 1,664 applicants, 629 of which are in housing counseling, 131 are mortgage ready, 105 are in housing search and 30 have closed on homes.

HMFA has allocated \$130,000 to cover the cost of the housing counseling sessions.



## HOMELESS AND OTHER SPECIAL NEEDS

The State conducted a Point in Time Homeless survey on January 27, 2005. The survey identified 10,713 homeless persons.

| POINT IN TIME SURVEY |               |             |
|----------------------|---------------|-------------|
| County               | Count         | % of Total  |
| ATLANTIC             | 623           | 6%          |
| BERGEN               | 781           | 7%          |
| BURLINGTON           | 699           | 7%          |
| CAMDEN               | 777           | 7%          |
| CAPE MAY             | 125           | 1%          |
| CUMBERLAND           | 243           | 2%          |
| ESSEX                | 1215          | 11%         |
| GLOUCESTER           | 132           | 1%          |
| HUDSON               | 706           | 7%          |
| MERCER               | 1080          | 10%         |
| MIDDLESEX            | 769           | 7%          |
| MONMOUTH             | 786           | 7%          |
| MORRIS               | 389           | 4%          |
| OCEAN                | 155           | 1%          |
| PASSAIC              | 774           | 7%          |
| SALEM                | 111           | 1%          |
| SOMERSET             | 191           | 2%          |
| SUSSEX               | 217           | 2%          |
| UNION                | 869           | 8%          |
| WARREN               | 71            | 1%          |
| <b>TOTAL</b>         | <b>10,713</b> | <b>100%</b> |

| Age                | Number    | % of Total |
|--------------------|-----------|------------|
| 15 and under       | 18        | 0%         |
| 16 - 25            | 965       | 9%         |
| 26 - 35            | 1409      | 13%        |
| 36 - 45            | 4147      | 39%        |
| 46 - 55            | 1739      | 16%        |
| 56 - 65            | 649       | 6%         |
| 66+                | 87        | 1%         |
| No Age Indicated   | 1699      | 16%        |
| <b>AVERAGE AGE</b> | <b>41</b> |            |

| <b>Race/Ethnicity</b>                 | <b>Count</b> | <b>% of Total</b> |
|---------------------------------------|--------------|-------------------|
| No Response                           | 416          | 4%                |
| African-American/Black (non-Hispanic) | 5269         | 49%               |
| American Indian/Alaskan Native        | 53           | 0%                |
| Asian                                 | 51           | 0%                |
| Euro-American/White (non-Hispanic)    | 3200         | 30%               |
| Hispanic/Latino                       | 1533         | 14%               |
| Other                                 | 191          | 2%                |

Housing programs for the homeless and other special needs populations target individuals who are disproportionately poor. These programs include individuals who are very-low income, earn less than 30 percent of median income, and rely on federal or state assistance programs or who rely on federal Supplemental Security Income (SSI) benefits of \$624 per month. Homelessness is not caused simply by a lack of housing. To this end, planning and housing efforts need to include a diverse group of public and private entities to further understand the causes of homelessness and to work toward its prevention.

Housing First and Supportive Housing are two proven approaches to addressing homelessness that are strongly recommended for further development in New Jersey. Housing First models move people quickly into permanent housing and then provide needed social services to help individuals maintain their housing. Supportive Housing models ensure that the appropriate support services are available to the individual once they have permanent housing. New Jersey has the foundation of a Supportive Housing industry and the ability to adopt a Housing First policy. Working with its partners, the State will create new and innovative Housing First and Supportive Housing models for persons who are homeless as well as for those with other special needs.

Supplemental to Housing First models, shelter housing should be available for individuals and families in times of crisis. However shelter stays should be short term, less than 45 days, with intensive case management services targeted at helping people secure permanent, stable housing and skills to move toward self-sufficiency.

Housing First is an approach that focuses on providing people with disabilities or people who are homeless with housing and providing services to them as needed. The primary and immediate focus is on helping people to access and sustain permanent housing. This approach is consistent with what most people, including people with disabilities want to achieve.

The following are the major components of Housing First:

- Access and maintain permanent housing as quickly as possible (no time limits are imposed).

- A variety of services are delivered immediately after the individual moves in to the housing unit in order to promote stability and individual well-being.
- The length of services is based on the needs of the individual.
- The housing is not contingent upon compliance with services. The individuals must comply with a standard lease and will be provided with the support services necessary for them to be successful.

Housing First does include following: 1) assessment-based targeting of housing services; 2) assistance locating rental housing and relating to landlords; 3) financial assistance with security deposit and one month's rent rental subsidy; and 4) case management to coordinate services that support housing retention.

### **Strategies to Implement Housing First Policy:**

**Continuum of Care (CoC) Assistance:** HMFA is leading the effort to help the 19, countywide; CoCs coordinate their applications for federal assistance and share best practices across jurisdictions. Last year's efforts brought a total of \$31 million into New Jersey, \$5 million above the HUD allotted share for the State. A Continuum of Care System is a community based coordinated effort by all homeless service providers to address and eradicate homelessness within their community, based on the understanding that the underlying causes extend beyond the need for shelter. The Continuum of Care is important because it fosters collaboration among service providers and municipalities who have traditionally worked autonomously to solve the problem of homelessness. In addition, the CoC is the only vehicle by which a community can apply and compete for HUD administered McKinney-Vento Funds for Supportive Housing, Shelter Plus Care and Single Room Occupancy Programs. The State is supporting local CoC's emphasis on Housing First and the prioritization of projects for the development of new permanent housing opportunities. State financing programs, including the newly created Special Needs Housing Trust Fund are available to leverage HUD McKinney-Vento funds.

**Homeless Management Information System (HMIS):** HMFA is leading a state and local Collaborative to implement a state administered Homeless Management Information System (HMIS) meeting federal HUD specifications for tracking, reporting and analyzing homelessness information in New Jersey. Implementation of HMIS is required by HUD for all Continuum of Care and service providers to receive HUD McKinney-Vento Homeless Assistance. Local CoCs use the system to meet HUD reporting requirements and the Statewide Collaborative uses aggregated data from HMIS to establish baseline data on homelessness for planning and to assess resource utilization. It is the goal of the State HMIS partners (HMFA, DCA and DHS) to use HMIS to move towards performance based contracting for homeless programs, and specifically to

evaluate programs for achievement of permanent housing outcomes. Over 150 individual agencies are currently enrolled in the NJ HMIS Collaborative.

**Homeless Policy Academy:** HMFA staff is co-facilitating stakeholders from for-profit and nonprofit sectors to address homelessness prevention in a comprehensive way with assistance from the federal government. DCA and DHS are both integral members of the Policy Academy. The HMIS project is one of the outcomes of this partnership.

**New Jersey's Olmstead Stakeholder Task Force:** DCA and HMFA participate in this collaborative effort to guide New Jersey in shaping a comprehensive working plan that reflects a statewide vision for achieving community integration for people across all disability groups. The Task Force has developed a vision that promotes affordable housing in integrated community settings that New Jersey citizens with disabilities have a right to expect. The work of this Task Force supports the development of Housing First models and permanent supportive housing units for chronically homeless populations, including individuals with disabilities.

#### **Homeless Programs to Implement Housing First:**

**Homeless Supported Housing Program** provides matching or gap financing to eligible organizations to develop new units of permanent supportive housing for homeless persons and persons with disabilities.

**Homelessness Prevention Program (HPP)** provides financial assistance to low- and moderate-income tenants and homeowners who are in imminent danger of eviction or foreclosure due to temporary financial problems beyond their control.

**State Rental Assistance Program Project Based Assistance** will provide stability in the lives of eligible households that include DYFS families, working poor, elderly and special needs households through the creation of permanent housing.

**Shelter Housing Exit (SHE) Program** provides security deposits and rental assistance to victims of domestic violence and their children who are currently living in domestic violence shelters.

**Shelter Plus Care Program** provides rental assistance to homeless persons with disabilities, in collaboration with local nonprofit agencies under their jurisdictional "Continuum of Care," the vehicle for homeless planning activities.

**Special Needs Housing Trust Fund (Trust Fund)** provides capital financing to create permanent supportive housing and community residences for individuals

with special needs, with priority given to individuals with mental illness. The purpose of this special non-lapsing, revolving fund, which is being administered by the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”), is to develop special needs housing and residential opportunities as alternatives to institutionalization or homelessness for those who would benefit from these programs and to ensure the long-term viability of such housing. The monies in the Trust Fund are to be used to enable persons with special needs to live with dignity and independence within communities of their choice by providing capital funding to increase the supply of affordable and quality housing with support services and other residential opportunities

**HMFA Community Housing Demonstration Programs (CHDP)** – These programs were established in partnership with the Department of Human Services, Divisions of Developmental Disabilities, Mental Health Services and Youth and Family Services to promote affordable housing for persons with disabilities who are very-low income. Each category of programs listed below has its own set of guidelines and may serve multiple special needs populations.

- Community Housing Rental Production Programs – This category of programs assists project sponsors by providing low-interest financing to develop affordable housing for people with special needs in independent settings. This category includes financing for affordable rental housing for clients of the Divisions of Developmental Disabilities (DDD), Mental Health Services (DMHS), Office of Children’s Services, Division of Youth and Family Services (DYFS) and the Commission for the Blind and Visually Impaired (CBVI).
- HUD Section 811 Bridge Loan Program - This program is available to recipients of a US Department of Housing and Urban Development (HUD) Fund Reservation Capital Advance award to develop 811 Supportive Housing Projects for persons with disabilities. The program provides bridge loan financing to secure and/or retain site control prior to closing on a Section 811 loan.
- Special Needs Home Ownership Program – This program assists individuals with disabilities to purchase a home and/or modify a residence to make it accessible for the homeowner with a disability. The Home Ownership Program has a funding set aside to serve clients of the Division of Developmental Disabilities and adoptive parents/guardians served by the Office of Children’s Services.
- Deep Subsidy Program For Permanent DYFS Rental Housing – This program will create permanent rental housing to low-income DYFS families and families who have children with special needs. This program creates permanent affordable rental housing targeted to families at or below 40 percent of the area median income. Funds will be used for

property acquisition and moderate rehabilitation and projects will be deeply subsidized at \$100,000 a unit to eliminate the need for project sponsors to search for multiple funding sources. This program is currently in the developmental stage.

- Emergency Housing Providers Development Program – This program will expand the number of nonprofit organizations producing housing from the ranks of emergency shelter providers who are familiar with the needs of DYFS clients. Balanced Housing and HOME CHDO subsidy funds will be made available to nonprofit developers to buy-down the cost of housing developed for DYFS clients. Increasing this pool enhances the state's ability to produce permanent supported housing for DYFS clients currently living in shelters and transitional housing. DCA's current shelter support grantees and other interested parties will be provided training and encouraged to partner with experienced developers if they have no experience with development. This program is currently in the developmental stage.

### ***Discharge Coordination Policy***

The State will utilize the following programs to assist households being discharged from publicly funded institutions and systems of care.

- Emergency Housing Providers Development Program will expand the number of nonprofit organizations producing housing from the ranks of emergency shelter providers who are familiar with the needs of DYFS clients. Balanced Housing and HOME CHDO subsidy funds will be made available to nonprofit developers to buy-down the cost of housing developed for DYFS clients. Increasing this pool enhances the state's ability to produce permanent supported housing for DYFS clients currently living in shelters and transitional housing. DCA's current shelter support grantees and other interested parties will be provided training and encouraged to partner with experienced developers if they have no experience with development. This program is currently in the developmental stage.
- Ex-Offenders Re-entry Housing Program provides low-interest loans to for-profit and nonprofit organizations developing transitional, trans-permanent, and permanent support rental housing, including independent and shared housing opportunities with access to supportive services, for adult ex-offenders and juvenile offenders.
- Housing Opportunities for Persons with AIDS – Post Incarcerated Program provides housing assistance to individuals recently released from prison who

have HIV/AIDS.

- Transitional and Permanent Housing Loan Program for Aging Out Youth provides low-interest financing to organizations and public entities developing service enriched transitional and permanent housing opportunities for youth aging out of foster care, homeless youth and youth leaving the Juvenile Justice System.

## **BARRIERS TO AFFORDABLE HOUSING**

There are a myriad of both State and federal issues affecting the availability of affordable housing. Barriers to affordable housing include the locally held *Not In My Backyard* syndrome (NIMBY), outdated land-use regulations, high development standards, costly permit processes, infrastructure financing and fluctuations in interest rates. The resistance to affordable housing is often evidenced in minimum lot size requirements for residential properties, which indirectly has an impact on the cost of housing.

*Shortage of Rental Assistance:* The State is experiencing a shortage of available housing at every rental level. This is particularly the case with affordable housing. Many at-risk households turn to rental assistance programs to maintain and secure housing. The State, through the Housing Choice Voucher Program, HOME Tenant-Based Rental Assistance Program and the new State Rental Assistance Program, is working to assist as many very low- and low-income households as possible within our financial constraints.

*Shortage of Workforce Housing:* The shortage of affordable housing for low and moderate-wage workers is a problem in New Jersey. Many of these workers can only find affordable housing by living far from their jobs and enduring long commutes. The State through the State Rental Assistance is targeting the working poor, families making up to 40% of median income.

*Not In My Backyard (NIMBY)/Racial and Ethnic Discrimination:* Perhaps the primary obstacle to affordable housing is the overall misconception as to how affordable housing impacts a community. The public perception is that it will attract a population full of the poor and uneducated, bringing about increased crime, decreased property values and social unrest. Community leaders are very much influenced by these public misconceptions. As a result, even if a municipality has the land and physical plan to support denser, more affordable housing, it may lack the will to do so. NIMBY attitudes were the targets of the New Jersey State Supreme Court Mount Laurel decisions and the State's Fair Housing Act of 1985. These initiatives try to extend housing opportunities for people earning less than 80% of median county income.

In addition, despite more than 36 years of prohibitions against housing discrimination in New Jersey, audits of race and national origin discrimination in the rental and sales markets continue to show high rates of discrimination. Although homeownership rates have increased to record highs, a significant disparity continues to exist between the homeownership rates of whites compared to that of minorities. According to the 2000 Census, 73% of White households are homeowners, compared to a rate of less than 42% for Hispanics and African Americans. The State through its fair housing outreach initiative is educating the public about their federal and state rights under the law.

*Land Use Regulations:* Two types of regulations affect housing costs: development regulations and land-use regulations. Development regulations, such as the construction code, place minimum standards on how developers build while land-use regulations (zoning laws, environmental protection requirements) define the conditions and the amount of land available for development. Land use regulations fundamentally affect land and housing costs and are slow to respond to changes in housing demand. They dictate what, where, and how much gets built and under what conditions.

New Jersey has an array of State and local land-use regulations. The most basic control is municipal zoning. Municipal zoning is defined locally and authorized through the State's municipal land use law. At the State level, special districts, commissions, and offices regulate land-use development in historic districts, wetlands, and other designated areas. State law includes the Coastal Area Facilities Review Act, which requires permits for certain developments in specified coastal areas. The Wetlands Protection Act regulates development in protected wetlands. The Pinelands Protection Act protects about one million of the state's 4.8 million acres, and the Delaware and Raritan Canal Commission controls development along the canal. The New Jersey Meadowlands Commission is responsible for environmental protection, economic development and solid waste management of 19,730 acres in 10 Bergen County and 4 Hudson County communities.

On August 10, 2004, the *Highlands Water Protection and Planning Act* went into effect. This historic law will protect drinking water for over 5.4 million people, preserve open space and provide effective regional planning for the Highlands region. The law will be implemented by the Highlands Water Protection and Planning Council, a public body charged with developing a regional master plan, performing land use functions and protecting the region's critical environmental areas and high resource lands.

For State and local regulations to work well, they must balance the needs of a host of public land-based policies, some of which conflict.



*Development Standards:* Building, fire safety, site, and subdivision standards set a minimum level of protection for the public. The implementation of these standards attempts to make the development and construction process more consistent, predictable, and timely.

*Redundancy in the Permit Process:* Housing and other development in New Jersey must be approved by several State agencies, regional planning agencies, county planning boards, sewer/wastewater treatment utilities, soil conservation agencies, and municipal planning boards. Although New Jersey has made progress to streamline the residential construction process and make it more consistent, predictable, and timely, delays and duplications remain.

*Infrastructure Financing:* New Jersey's settlement patterns continued to grow more decentralized in the last decade. Population and jobs continued to shift away from the state's older cities toward the suburbs. Like most states, New Jersey has struggled with how to maintain roads, sewers, potable water, parks, and other public facilities and how to build and maintain new infrastructure. To pay for these needs, New Jersey has relied increasingly on user fees and other pay-as-you-go approaches. Builders are assessed impact and linkage fees to pay more of the cost of public facilities and services. These costs tend to be passed on to new homeowners and renters.

## **Strategies to Address Barriers to Affordable Housing**

New Jersey has a number of policies, programs and proposals to address regulatory barriers to affordable housing.

*Develop a Comprehensive Housing Policy:* The State is in the process of developing a comprehensive state housing plan. The plan will discuss the scope and depth of housing issues in New Jersey and the how the State is comprehensively addressing these issues.

*Rehabilitation Subcode:* The State, in January of 1998, adopted the Rehabilitation Subcode, which is the first construction code in the nation written specifically for the rehabilitation of existing buildings. The Rehabilitation Subcode is a set of standards that provides for the health and safety of building occupants, while recognizing what is possible and practical in the setting of an existing building.

*Site Improvement Standards:* In 1997, New Jersey adopted statewide site improvement standards for residential subdivisions. The purpose of these standards is to bring consistency and predictability to the requirements for site improvements and to eliminate standards that contribute to higher housing costs without any greater health or safety benefits. The standards cover street, water supply, sewer and storm water management for residential developments.

*Land Use Reform:* New Jersey courts have taken an active role in redressing regulatory barriers to affordable housing. In the Mount Laurel decisions, the New Jersey State Supreme Court ruled that municipalities have a constitutional obligation to provide a realistic opportunity through zoning for the creation of their fair share of regional low- and moderate-income housing needs. In response, the State Legislature passed the Fair Housing Act in 1985, which created the Council on Affordable Housing (COAH). COAH determines present and future housing needs and helps municipalities meet their constitutional obligation to provide opportunities for affordable housing. The Agency reviews local housing plans and zoning ordinances and certifies those that adequately respond to regional affordable housing needs. This process is voluntary, but municipalities have several incentives to participate. COAH assists municipalities in meeting their fair housing needs by offering options such as accessory apartments, buy-down programs, residential conversions of schools and Regional Contribution Agreements (RCAs). Through the courts and the COAH process, New Jersey communities have modified their zoning laws to provide more opportunity for affordable housing. Over the next 5 years, the State will continue to identify and address local and State policies that effect the provision of affordable housing.

*Increase funding for the State Rental Assistance Program:* The State supports increasing the funding for this program from \$25 million to \$40 million to increase access to decent, affordable housing for very low and low-income households

## **OTHER ACTIONS**

### ***Actions to meet underserved needs***

DCA, HMFA and DHS have been working to overhaul the State's child welfare system. The \$650 million dollar effort is directed at reforming the administrative process and services provided to foster care and adoptive families and the children they raise. DCA and HMFA are playing an instrumental role in addressing the common difficulties that impinge on a child's well being, which include problems caused when families are homeless, mothers are victims of domestic violence, or when children who have been in the foster care system "age out" with no life skills or resources with which to begin an independent life.

DCA, DHS and HMFA have jointly developed programs that offer a significant improvement in housing opportunities for these special populations. The common theme in the creation of these programs is to marry housing with support services that are necessary to improve the quality of life and future outlook for those families. The individual program descriptions are provided in the section listing the resources corralled to support Consolidated Plan goals.

### ***Actions to foster and maintain affordable housing***

The State will utilize over \$649 million to create and maintain affordable housing units and assist low- and moderate income households become homeowners. The State will also continue to coordinate its efforts to address housing issues and the conditions of poverty that surround homeless and low-income people. We recognize that the need for assistance far exceeds the current level of available resources. The State will, therefore, strive to improve coordination among State agencies, local housing organizations and social service providers and, when necessary, create new programs to respond to the needs of those most at-risk.

### ***Actions to reduce the number of poverty level families***

The State will continue to address the problem of homelessness by providing emergency assistance. Such actions will include the following:

- Providing shelter, food, clothing, and social services to families in crisis.
- Supporting the development of permanent, transitional and affordable housing and shelter facilities.
- Providing health care to homeless people.
- Aiding homeless runaway youth.

- Assisting individuals who are mentally or physically impaired.
- Helping victims of domestic violence.
- Providing low-income energy services.
- Administering rental assistance programs.
- Providing job training to low-income and homeless individuals.

## **PROGRAM SPECIFIC REQUIREMENTS**

### **Community Development Block Grant Program**

#### State Conformance to National Objectives

The State of New Jersey will be guided by applicable federal rules and regulations in carrying out the Small Cities Community Development Block Grant (CDBG) program. All project activities must meet one of the three national program objectives set forth in the Housing and Community Development Act of 1974, as amended:

1. To undertake community development activities that principally benefit persons of low and moderate income;
2. To prevent or eliminate slums and blight;
3. To meet urgent community development needs for which no other resources are available.

The State of New Jersey certifies that not less than 70 percent of the funds will be used for activities that benefit persons of low and moderate income. Low- and moderate-income is defined in the New Jersey Small Cities CDBG Program as the income of "lower income" families as set forth in the Section 8 Assisted Housing Program of the US Department of Housing and Urban Development (US HUD). The US HUD provides applicable standards, and the standards are included in application instructions distributed to all eligible units of local government.

The following are the State's Program Objectives:

- Support housing rehabilitation programs that maintain the supply of safe, decent, and affordable housing.
- Support and encourage efficient patterns of community development, redevelopment, and capital funding by giving priority to proposals that address documented health and safety concerns and further the policies set forth in the *State Development and Redevelopment Plan*.
- Encourage innovative proposals that combine job creation, housing improvement, and other eligible activities to renew designated revitalization areas.
- Encourage the development of facilities needed to support welfare to work programs such as job training and child and elder care.

- Support and encourage neighborhood revitalization efforts identified in locally developed plans and strategies.
- Improve the availability and adequacy of essential public facilities, and remedy serious deficiencies in areas that principally serve people of low or moderate income.
- Support community and economic development activities that expand business enterprises and increase job opportunities for the unemployed and for people of low or moderate income.
- Ensure that municipalities have the capacity to implement community development programs and maintain community development improvements.
- To support community development projects of particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are unavailable.

### **Distribution of Allocation**

The distribution of CDBG funds is as follows:

#### **Administration: \$ 267,199**

The State is permitted to retain an amount equal to 2 percent of the grant award plus \$100,000 to cover costs associated with the State's administration of the CDBG program.

#### **Technical Assistance: \$ 83,600**

The State may distribute up to \$ 83,600 for technical assistance and program guidance to non-entitlement municipalities and counties. Such assistance will be consistent with federal guidance.

#### **Programmatic:**

#### **Emergency Housing Repair: \$ 50,000**

The Emergency Housing Repair Fund has been established to correct emergency conditions in owner-occupied housing where the owner is income-eligible and unable to obtain assistance from any other public or private source. Assistance will be provided on a first-come, first-served basis to the extent funds are available.

The maximum grant award in this category will be \$5,000. However, the DCA will consider exceeding this ceiling if the applicant presents compelling reasons to do so. Prospective applicants are required to contact the Grant Development & Contract Administration Unit before submitting a proposal for assistance.

### **Employment Development: \$1,000,000**

This fund provides assistance to projects that will generate new employment opportunities for people of low and moderate income. These projects may include loans to for-profit enterprises and the financing of infrastructure improvements or extensions that support private investment in new production facilities and/or equipment.

Upon a favorable assessment of the pre-application, eligible municipalities will be invited to submit a full application. Grants may not exceed \$400,000 unless compelling reasons to do so are set forth by the applicant and accepted by the DCA.

### **Innovative Development: \$1,000,000**

This fund provides assistance for activities that meet one of the three Statutory Objectives, but that do NOT qualify for consideration under any of the other Small Cities Funds. Examples include land acquisition in support of new housing construction for low-income people and assistance to first-time homebuyers.

*Innovative Development Proposals* (IDPs) will also be considered in this category. IDPs must consist of more than one eligible activity (excluding administration or planning). The activities proposed must be carried out within the same time period and must be directly related to the implementation of a locally approved redevelopment strategy. Consultation with the Small Cities Program Administrator is encouraged before preparing a formal application.

Grants may not exceed \$400,000 unless compelling reasons for exceeding that amount are set forth by the applicant and accepted by the DCA.

### **Housing Rehabilitation Fund: \$3,000,000**

This fund will be used for activities that improve the condition of affordable housing in New Jersey. County-managed programs may be awarded up to \$500,000. Multi-jurisdictional programs may receive grants of up to \$350,000. Awards to programs serving only one municipality may not exceed \$200,000.

## **Public Facilities Fund: \$2,959,164**

This fund is established to assist units of local government to construct or improve essential public facilities that will primarily benefit people of low and moderate income. The maximum grant awarded in this category will be \$400,000. However, this maximum may be exceeded if compelling reasons are presented and accepted by the DCA.

## **108 Loan Program: \$35,612,925**

The 108 Loan Program authorizes the State to extend financing to commercial projects and to real estate and industrial businesses with a proven ability to expand. The 108 Program funds may be used for fixed-asset financing; for land, construction or renovation; for machinery and equipment; or for working capital. Such loans may be provided for up to 90% of the total fixed-asset financing.

The terms of the loans are a maximum of 20 years for real estate, 10 years for machinery and equipment, and 6 years for working capital. The interest rate is fixed at 200 basis points above the rate charged to the State by HUD, except for projects located within a Federal Empowerment Zone. In such locations the interest rate is 175 basis points above the rate charged to the State by HUD. The purpose of the 108 loan program is to stimulate private sector investment and to retain and create permanent job opportunities for people of low and moderate income residing in eligible units of local government. The project may also qualify if it produces a vital service consistent with one of the statutory objectives of the CDBG program.

**NOTE:** The New Jersey Economic Development Authority (NJEDA) administers the 108 Loan Program. More information may be obtained by contacting NJEDA at (609) 292-1800.

## **Matching Requirements**

Units of local government seeking assistance from the Employment Development Fund, the Innovative Development Fund, the Public Facilities Fund, and the Housing Rehabilitation Fund may be required to commit a percentage of the grant request, based on the applicable Municipal Distress Index ranking (MDI Rank). The matching share is determined as follows:

| MDI Rank      | Matching Share |
|---------------|----------------|
| 0 to 100      | 10%            |
| 101 to 200    | 20%            |
| 201 to 300    | 30%            |
| 301 to 400    | 40%            |
| 401 and above | 50%            |



Where more than one municipality is participating in the proposed project, the matching requirement will be determined by combining the MDI of each participant and dividing by the number of participating municipalities.

Where in-kind services will be used, identified costs borne by the applicant must be consistent with established DCA standards as set forth in the applicable application guide. The matching fund requirement shall not apply to Emergency Housing Repair assistance and may be waived for Employment Development Fund and Innovative Development Fund projects, when compelling reasons are accepted by the DCA.

### **Number of Applications**

Applicants may apply for one Housing Rehabilitation grant and one Public Facilities grant per year. Applications for Employment Development grants and Innovative Development grants may exceed one application per year. However, the Department retains the discretion to award only one grant a year per jurisdiction.

### **Reallocation of Funds**

The DCA may transfer funds (including those recaptured from cancellations or closeout balances and program income) among funding categories based on demand for assistance demonstrated by the number of applications received.

### **Evaluation Criteria**

**Emergency Housing Repair:** Funding to correct emergency conditions in owner-occupied housing units may be requested at any time throughout the funding year and will be evaluated according to the following considerations:

- Compliance with a statutory National Objective.
- Documented needs and costs.
- Certification that other public or private funding sources are not available.
- Date of submission.

**108 Loan Program:** Applications for 108 loans are evaluated by the New Jersey Economic Development Authority to determine compliance with applicable federal statutes and regulations, with State program objectives and for credit worthiness.

## Community Development and Housing Needs Statement

To be considered for assistance from any Small Cities fund (with the exception of the Emergency Housing Repair Fund and the 108 Loan Program), the applicant must provide a *Community Development and Housing Needs Statement*. This statement must include at least three components – community development needs, housing needs, and status of applicable land use plans. Instructions for preparing this document are set forth in the application guide for each Small Cities Fund.

**Employment Development:** This fund provides assistance to projects that will retain or create employment, primarily for people of low and moderate income. The number of jobs created or retained, funds leveraged, and links to training programs may be considered. Proposals that involve the lending of Small Cities CDBG funds to for-profit businesses must be structured to comply with guidance set forth in the Housing and Community Development Act of 1974, as amended, implementing regulations and memoranda issued by the US HUD. The amount of funding requested and the terms of any loans made must reflect the necessity for subsidized financing and the social and economic benefits to be derived.

Small Cities CDBG funds may not be the primary source of financing used by for-profit enterprises. Applicants must also demonstrate that special reasons justify Small Cities CDBG assistance. All direct assistance to for-profit enterprises will be in the form of a loan, the terms of which shall be negotiated by the parties involved and approved by the DCA.

**Innovative Development:** To qualify for funding, applicants must document that the problem to be addressed and/or the remedy proposed fall(s) outside the scope of other funding categories. Consultation with Grant Development and Contract Administration staff prior to the submission of a formal request for assistance is required.

**Housing Rehabilitation and Public Facilities:** All proposals will be subject to the following review process. Utilizing a standardized Application Review Form (Attachment A), staff of the Grant Development and Contract Administration Unit will review all applications to determine if threshold requirements are met. Applications that fail to meet **any** threshold requirement will not be funded. Those that do meet all threshold requirements will then be scored based upon the following criteria:

- *Municipal Distress:* The relative need of an applicant will be evaluated by using the Statewide Municipal Distress Index (MDI). The indices are used by State agencies in allocating need-based assistance to municipalities. Applicants may receive up to 100 points as follows:

| MDI Rank      | Score      |
|---------------|------------|
| 0 to 100      | 100 Points |
| 101 to 200    | 80 Points  |
| 201 to 300    | 60 Points  |
| 301 to 400    | 40 Points  |
| 401 and above | 20 Points  |

- *Readiness to Proceed:* The degree to which an applicant is ready to proceed with the proposed project will be evaluated as follows: Applications that include resolutions for citizen participation and affirmatively furthering fair housing, a grant management plan, an environmental review record, matching funds certification, and (for Housing Rehabilitation applications only) an adopted policies and procedures manual will receive 30 points. Housing Rehabilitation applications that, in addition to the above items, include a list of income-eligible housing units to be improved, with biddable work write-ups for each unit, will receive an additional 70 points. Public Facilities applications that, in addition to the above items, include biddable plans and specifications, will receive an additional 70 points.

All applications, along with the Application Review Form, will be forwarded to necessary parties, including, but not limited to: the Director of the Division of Community Resources, the Assistant Commissioner, the Office of Smart Growth, the Division of Local Government Services, the Division of Codes and Standards, and the Commissioner. Once reviewed, the aforementioned parties will convene to discuss the feasibility of each application and make funding decisions. Policy review considerations by this committee will include the Smart Growth implications of each proposed project, the eligibility status of the applicant's jurisdiction to apply for and receive Balanced Housing funds, the amount of funds that would be leveraged from other sources if Small Cities funds are awarded, and the number of applications received and the geographic distribution of funds throughout the State.

### **Technical Assistance**

To the extent that resources permit, the DCA will provide technical assistance to help applicants develop strategies to address their community development needs and to prepare applications. Applicants are encouraged to request

assistance well in advance of submission deadlines. In addition, Division staff will assist new grantees in implementing successful projects.

### **Eligible Activities**

Activities assisted under the Small Cities CDBG Program are limited to the following:

- Requisition of real property that is blighted, appropriate for rehabilitation, appropriate for preservation as a historic site, or used for provision of public works or other public purposes.
- Acquisition, construction, reconstruction, or installation of public works or facilities (except buildings for the general conduct of government) and site and other improvements.
- Code enforcement in deteriorated or deteriorating areas in which such enforcement may arrest the area's decline.
- Clearance, demolition, removal, and rehabilitation of buildings.
- Special projects directed to the removal of architectural barriers that restrict the accessibility of the elderly and handicapped.
- Payments to housing owners for losses of rental income incurred in holding units for relocated individuals and families displaced by activities under the program.
- Disposition of real property acquired pursuant to the program.
- Provision of public services if the local government has not provided such services during the 12-month period immediately preceding implementation of the program.
- Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of this program.
- Payment of the cost of completing a project funded under Title I of the Housing Act of 1949.
- Relocation payments for displaced individuals, families, businesses, and organizations.
- Activities necessary to develop a comprehensive community development plan and to develop a policy-planning-management capacity to enable the recipient to more effectively administer the program.

- Payment of reasonable administrative costs.
- Activities carried out by public or private non-profit organizations including: planning, acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities and commercial or industrial buildings or structures.
- Assistance to nonprofit organizations serving non-entitlement areas, local development corporations or entities organized under the Small Business Investment Act of 1985 to carry out a neighborhood revitalization or community economic development or energy conservation projects, including the development of shared housing opportunities for the elderly (other than by construction of new facilities).
- Activities necessary to the development of a comprehensive community-wide energy-use strategy.
- Assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project.
- Rehabilitation or development of housing assisted under Section 17 of the United States Housing Act of 1937.
- Assistance to facilitate the substantial reconstruction of housing owned and occupied by low- and moderate-income persons.
- Technical assistance to increase the capacity of public or non-profit entities to carry out eligible neighborhood revitalization or economic development activities.
- Housing services designed to assist homeowners, tenants, and others seeking to participate in eligible housing activities.
- Assistance to institutions of higher education capable of implementing eligible activities.
- Assistance to public and private organizations (for-profit as well as non-profit) to facilitate the development, stabilization, and expansion of micro-enterprises.
- Assistance to facilitate and expand homeownership by subsidizing interest rates, financing acquisition, guaranteeing mortgages, paying up to 50% of down payments, or paying reasonable closing costs for income-eligible people.

- Activities necessary to repair and operate housing units acquired through tax foreclosure to prevent abandonment and deterioration.
- Assistance to facilitate and expand homeownership by subsidizing interest rates, financing acquisition, guaranteeing mortgages, paying up to 50% of down payments, or paying reasonable closing costs for income-eligible people.
- Program Income and Other Recaptured Funds

### CDBG Grants

Program income will remain with the grantee when the grantee demonstrates, as determined by the State, that program income can be distributed in a timely way to carry out the same activity for a specific project in accordance with a reuse plan that has been approved by the State.

The State of New Jersey interprets the phrase “the same eligible activity” to mean that the grantee must use the income for the same activity for which it was originally funded, as taken from the list of eligible activities (see pages 7-8). For example, if the income was derived from a loan to a private firm, it must be used again for loans to private firms. This does not mean that the income may only be used for an additional loan to the same firm. Nor can “continuing the activity” be so broadly defined as to mean use for the same general purpose, such as economic development.

The State will consider exceptions to this policy on a case-by-case basis. However, in the event a grantee fails to demonstrate an acceptable reuse of program income, the State will recapture program income and distribute such funds in accordance with the provisions set forth in the applicable Plan for Distribution.

### 108 Loans

The New Jersey Economic Development Authority (NJEDA) shall charge a fixed interest rate of 200 basis points, except for projects located within a Federal Empowerment Zone. In such locations the interest rate shall be 174 basis points above the rate charged to the NJEDA by HUD. This amount is considered income to the NJEDA.

### Displacement

The Small Cities CDBG Program will seek to minimize involuntary displacement of persons from their neighborhoods and homes and to mitigate the adverse effects of any such displacement on low-and moderate-income persons. The

State will require applicants to assess all feasible alternatives to any activity resulting in involuntary displacement.

In the event that involuntary displacement is the only feasible alternative, the State will require that grantees comply with the requirements of the Housing and Community Development Act of 1974, as amended; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended; and the statutory amendments implementing regulations (CFR Part 24). In addition, the State will require that grantees comply with the requirements of the New Jersey Relocation Assistance Acts (P.L. 1971, c.362 and P.L. 1967, c. 79) and the New Jersey Regulations for Provision of Relocation Assistance (N.J.A.C. 5:40-1 et seq.).

# HOME Program

## Program Purpose

The HOME Program (HOME) encourages partnership among government, nonprofit and for-profit developers to meet the housing needs of very low-, low- and moderate-income individuals and families.

## Proposed Use of Funds

The Department received an allocation of \$7,173,337 in HOME funds. These funds will be used to fulfill the federal mandate of increasing the supply of decent, affordable housing, with a primary focus on providing services for very low-income families. Ten percent, or \$717,334, will be used for eligible administrative and planning costs incurred by the State. The remaining \$6,456,003 million will fund the following program activities: substantial rehabilitation, new construction and tenant-based rental assistance. In addition, \$176,705 will be used for down payment and closing costs.

Eligible applicants for HOME funds are municipalities, nonprofit and for-profit developers.

The State's HOME funds will be allocated to the following three funding categories:

### *Community Housing Development Organization (CHDO) Set-Aside*

*CHDO Production* provides funding to eligible CHDOs producing affordable units. Eligible activities include: acquisition, demolition and removal of buildings; construction of new housing; conversion of non-residential to residential space and the substantial rehabilitation of vacant buildings. The program will create 18 units.

### *Neighborhood Assistance Programs*

*Housing Production Investment* provides funds to developers for the purpose of creating affordable rental and sale units. Eligible activities include: acquisition, demolition and removal of buildings; construction of new housing; conversion of non-residential to residential space and the substantial rehabilitation of vacant buildings. The program will create 28 units.

### *Homeless Assistance Programs*

*HOME Tenant-Based Rental Assistance (TBRA)* helps reduce the housing costs of very low-income households by providing direct rent subsidy payments to their



landlords. The program will provide an additional 381 vouchers for rental assistance.

**Home Program Resale Guidelines:** Housing units sold during the period of affordability will be sold solely to low-income households who will use the property as their principal residence and not lease the unit. The DCA will approve all resale prices in advance to assure that the original owner receives a fair return on their investment.

All conveyances of restricted ownership units shall be made by deeds and restricted conveyances.

**Minority-Owned Businesses:** State law requires that 7% of the contracts awarded by the State be given to businesses owned by minorities, and 3% to businesses owned by women. In 2003, Governor McGreevey signed legislation to simplify the process for minority and woman owned businesses to participate in state contracts. The law reduces the documentation requirements that a first time applicant must provide to be qualified for certification as a minority or woman owned business in the State of New Jersey. The law also seeks to promote participation of minority and woman owned businesses in a number of business assistance programs and services for certified businesses.

The state encourages women- and minority-business owners to seek certification and participate in state start-up programs.

### ***American Dream Downpayment Initiative (ADDI)***

The State will utilize \$176,705 to assist first-time homebuyers. This will provide financial assistance to no fewer than 17 potential homebuyers.

**Program Description:** Accumulating the funds for down payment and closing costs is a common barrier to potential homeowners. The American Dream Downpayment Initiative is available to participants in the Agency's Home Buyer Program who earn less than 80% of HUD's county median-income adjusted for family size. The program offers a second mortgage for down payment and/or closing costs up to lesser of \$10,000 or 6% of the purchase price, but in no case less than \$1,000. Eligible costs include down payment and closing costs. Closing costs must be acceptable to the Agency, and include lender application fees, credit report fees, appraisal fees, points, title search and insurance fees, closing agent fees, filing costs and such other costs as are customary and indicated on the HUD 1 settlement statement.

Up to 20% of the American Dream Downpayment Initiative funds will be made available for eligible rehabilitation costs. These costs include reduction of lead

paint hazards, remediation of health and safety code violations, accessibility enhancements for the disabled, and certain other costs allowed by HUD.

**Eligible Borrowers:** Eligible households are those which qualify and receive financing under the Agency's Home Buyer Program and whose income is less than 80% of the maximum income permitted under the HUD median income based on family size and county of purchase. For the initial four months of the ADDI program, 25% of the available ADDI funds will be set aside for Section 8 recipients, Public Housing Authority and manufactured housing residents, other federally or State assisted housing residents, Agency Special Need programs borrowers, homeowners identified through the Housing Affordability Service and eligible displaced homemakers and single parents. Corporations and investors are not permitted to act as borrowers. There are currently 14 Public Housing Authorities participating in the program.

The State anticipates that at least 30% of the funds will go to minority households.

**Eligible Properties:** One- to four-family residences (set-aside programs listed in #3 above may limit the number of units that can be purchased), condominiums or cooperative units. Properties must be located in Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan. Newly constructed units are eligible for purchase; however, ADDI funds cannot be used to pay for any construction related item. Properties must conform to local and/or State code standards.

**Occupancy:** Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.

**Housing Counseling:** All ADDI buyers must go to pre and post purchase counseling paid for by the NJ Housing and Mortgage Finance Agency. The topics covered in the classes include: budgeting, homeownership pitfalls, maintenance and general home buyer/ homeowner counseling. All borrowers that experience financial difficulty during the term of their mortgage are able to contact a HUD certified counselor for assistance. HMFA pays for this service.

**Loan Terms:** The Agency will make American Dream Downpayment Initiative second mortgage loans in the amount of \$10,000 or 6% of the purchase price, whichever amount is lower. Interest on the second mortgage will be at the same rate as the first mortgage and will be calculated as simple interest. All assistance secured under the American Dream Downpayment Initiative will be partially forgiven in four equal increments starting on the fourth anniversary of the closing of the loan and on each anniversary thereafter until the debt is satisfied. If the borrower lives in the property for seven (7) years the principal plus accrued interest will be fully forgiven.

If the borrower sells, cash-out refinances (ADDI second mortgages will not be subordinated to any other secondary financing liens, but can be discharged upon repayment which may be with the proceeds of secondary financing) or ceases to occupy the property as his/her primary residence full repayment will be due as follows:

Months one (1) through 48 principal and accrued interest is due. After month 48, 25% of the 2<sup>nd</sup> Mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 60, 25% of the 2<sup>nd</sup> mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 72, 25% of the 2<sup>nd</sup> mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 84, the remaining 25% of the 2<sup>nd</sup> mortgage will be forgiven and the principal balance and interest discharged.

NOTES: There will be no forgiveness of debt during the first four years, thereafter; forgiveness of debt will not be apportioned for a partial year. If in addition to ADDI funds, other HOME funds are being made available to the borrower in the form of a loan or grant, the recapture period may be longer as required by HUD.

**Income Limits:** Maximum income limits for the ADDI program are 80% of the HUD median income adjusted for family size for the county of purchase:

### **Geographic Distribution of Funds**

HOME funds will be distributed throughout the state. Priority assistance will be given to non-entitlement HOME communities, those that are not receiving a HOME allocation and not able to construct or otherwise provide affordable housing without financial assistance. This will be accomplished by involving for-profit and nonprofit sponsors and developers, Community Housing Development Organizations, lending institutions, and any other entity that could bolster the implementation of the State's Consolidated Plan and HOME Programs.

### **Match Requirements**

In order to satisfy the 25% match requirement cited in CFR 92.218, the State of New Jersey will utilize its primary affordable housing production program, Neighborhood Preservation Balanced Housing.

## **Homebuyer Guidelines**

The State already has a program with procedures in place to implement long-term affordability controls and price guidelines that meet the provisions of section 92.254(a) (4). The State's Housing Affordability Service performs these types of activities and controls.

## **Affirmative Marketing and Minority Outreach**

### **Affirmative Marketing**

In accordance with 24 CFR Part 92, the sponsor/developer of any HOME-assisted project will be required to do the following:

- Include a statement regarding its affirmative marketing policy and procedures in all media releases and reports informing the public about the program.
- Include a description of applicable fair housing laws in the information provided to the homeowners and renters.
- Include the Equal Housing Opportunity logo, slogan or statement in all newspaper and other media announcements regarding the program.
- Discuss its affirmative marketing policy and procedures and the fair housing laws directly with the homeowners and renters.

### **Special Minority Outreach Efforts**

The State will require all grantees to solicit applications from persons not likely to apply for housing without special outreach. Outreach efforts will include notifying the following groups about available housing units: community-based organizations, churches, public housing authorities, employment centers, fair housing groups and housing counseling agencies.

### ***Minority Business Outreach Efforts***

The State strongly encourages the use of minority and women-owned businesses in all HOME-assisted activities.

### **Monitoring**

DCA will monitor the grantees' records to insure that the project continues to meet the HOME affordability and other requirements. The following types of documents will be reviewed:

- Documentation that the project meets applicable property Housing Quality Standards.
- Documentation on income and size of families
- Documentation on rent and estimated utility levels for HOME assisted units and evidence that income targeting requirements are met.
- For homeownership projects, records describing the income level and family size for each family assisted and documentation establishing the after-rehabilitation value of the property.

#### **HOME Funds Allocation for State FY 2007**

|                                       | AMOUNT OF FUNDS    | PERCENTAGE OF FUNDS |
|---------------------------------------|--------------------|---------------------|
| ADMINISTRATION                        | \$ 717,334         | 10%                 |
| <i>CHDO Production</i>                | \$1,076,001        | 15%                 |
| Production Investment                 | \$1,721,601        | 24%                 |
| <i>Tenant-Based Rental Assistance</i> | \$3,658,402        | 51%                 |
| American Dream Downpayment Initiative | \$176,705          |                     |
| <b>TOTAL</b>                          | <b>\$7,350,043</b> | <b>100%</b>         |

# **HOPWA Program**

## **Grant purpose**

The Housing Opportunities Program provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families. Administered since 1993 by DCA on behalf of the New Jersey Department of Health and Senior Services (DHSS), HOPWA enables eligible persons with HIV/AIDS and their families to secure decent, safe and sanitary housing in the private rental market by providing tenant-based rental assistance (TBRA). The DCA works closely with community-based support organizations that provide participants with case management and ancillary services in conjunction with the rental subsidies.

The State program currently covers the following counties: Atlantic, Cape May, Cumberland, Mercer, Salem and Monmouth. DCA anticipates assisting approximately 220 households in the Program.

## **Eligible applicants**

A low-income individual living alone, or as a head of household, or an eligible child residing with a parent or legal guardian who is HIV/AIDS positive is qualified to receive permanent tenant-based rental assistance.

Applicants must be referred to DCA by a participating HIV/AIDS service provider agency and be receiving HIV/AIDS case management. Applications will not be accepted directly from the applicant.

# **Emergency Shelter Grant Program**

## **Grant Purpose**

The purpose of the Emergency Shelter Grant (ESG) program is to assist units of government and nonprofit organizations in their efforts to provide services to homeless individuals and families. The Emergency Shelter Grant Program monies are primarily used to fund the capital costs to rehabilitate properties to create new emergency shelters and transitional housing facilities and to eliminate health and safety violations in existing emergency shelters.

The Emergency Shelter Grant Program is under the umbrella of the Shelter Support Program. The Shelter Support Program seeks to look at homelessness in a comprehensive way. So, in addition to bricks and mortar activities provided for through the ESG program, the Shelter Support Program encourages and participates in a continuum of care approach to service the many needs of homeless individuals and families. Other activities of the Shelter Support Program include:

- Working with grantees to ensure that homeless individuals receive comprehensive case management services to help them achieve independent living.
- Collaboration with other State agencies in the planning and development of programs and services to reduce the number of homeless individuals and families, streamlining services, advocacy, and other important and relevant issues.
- Coordination of efforts with the Comprehensive Emergency Assistance System (CEAS) Committees that operate in each county.

## **Eligible Activities**

Emergency Shelter Grant funds may be used to implement one or more of the following activities:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelter and transitional housing for the homeless.
- Construction of new transitional housing for the homeless.
- Purchase of equipment, furnishings and vans that will provide direct benefits to the shelter's residents.

**Eligible Applicants**

All units of government or private, nonprofit organizations throughout New Jersey may apply for funding. A private, nonprofit organization may either apply directly or through a unit of government.

A nonprofit organization is defined as a secular or religious organization described in Section 501 c of the Internal Revenue Code of 1954, making it exempt from taxation, assuring it has an accounting system, a voluntary governing board, and practices non-discrimination in the provision of services.

HUD grant funds may be used to renovate, rehabilitate or convert buildings owned by primarily religious organizations or entities provided that the funds are not used also to support inherently religious activities such as worship, religious instruction or proselytizing. Religious activities that are conducted in these buildings must be voluntary for participants of HUD-funded activities and must occur separately in time or location from HUD-funded activities. .

**Funding Priorities**

Priority will be given to proposals that seek to:

- Create additional shelter beds and transitional housing units for the homeless, particularly for families and homeless youth (18-21 years of age) and specialized populations such as the mentally ill homeless, persons with HIV/AIDS, and those with alcohol/substance abuse, victims of domestic violence and homeless ex-offenders when the need for such a facility is clearly documented
- Improve the quality of existing emergency shelters and transitional housing arrangements by eliminating code violations and improving health and safety conditions.